

Amendment No. 3 to SB0252

**Norris
Signature of Sponsor**

AMEND Senate Bill No. 252

House Bill No. 175*

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 2, is amended by adding Sections 2 through 17 as a new, appropriately designated part.

SECTION 2. The general assembly finds that:

(1) To meet the needs of students today and in the future, LEAs and education and community leaders must be encouraged to abandon education models of the past and to design or redesign school systems to develop innovative, creative and forward-thinking model systems that will increase student achievement and prepare students to meet the challenges and needs of modern society and the future; and

(2) To facilitate innovation and creativity in the design or redesign of school systems, LEAs and education and community leaders need flexibility resulting from the waiver of certain state laws and regulations. However, flexibility must be accompanied by accountability and defined consequences if a newly designed or redesigned system fails to produce the results envisioned.

SECTION 3. As used in this part, unless the context otherwise requires:

(1) "Innovative school district" means a school district created according to this part. A county, city or special school district in existence on the effective date of this act does not qualify as an "innovative school district", however, a

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school district in existence on the effective date of this act may be redesigned and converted to an innovative school district; and

(2) "Local governing body" means:

(A) The local board of education of a school system in existence on the effective date of this act that seeks to convert to an innovative school district under this part; or

(B) The legislative body of a city that is not operating a school system on the effective date of this act, but that seeks to create and operate an innovative school district under this part.

SECTION 4.

(a) Notwithstanding § 6-58-112(b) or any other law to the contrary, in accordance with this chapter, any city that is not operating a city school system on the effective date of this act may create an innovative school district to serve students residing in the city.

(b) No innovative school district may be created by a city under subsection (a) unless the scholastic population within the boundaries of the city will assure an enrollment of at least one thousand five hundred (1,500) pupils in the proposed innovative school district, or the city has at least two thousand (2,000) pupils enrolled in a public school system or systems presently serving the city.

(c) No innovative school district may be created by a city under subsection (a), if the city is located within a county having a metropolitan form of

government adopted pursuant to Article XI, Section 9 of the Constitution of Tennessee.

SECTION 5. To convert an existing LEA to an innovative school district or to create a new innovative school district, the local governing body shall request increased flexibility by waiver of certain state laws and rules and regulations by the commissioner of education in exchange for increased accountability and defined consequences through a contract with the state board of education under Section 9. The contract shall establish a framework of flexibility, accountability and consequences.

SECTION 6.

(a) The contract with the state board of education shall establish the flexibility the proposed innovative school district is seeking by clearly identifying any state law, rule or regulation for which the proposed district seeks a waiver from the commissioner. The proposed district shall also state in its proposed contract the methods by which it intends to operate instead of those required by each law, rule or regulation sought to be waived. All requirements of general law, rules and regulations are applicable to an innovative school district unless waived by the commissioner. The commissioner is not authorized to waive regulatory or statutory requirements related to:

- (1) Federal and state civil rights;
- (2) Federal, state, and local health and safety;
- (3) Federal and state public records;
- (4) Immunizations;
- (5) Possession of weapons on school grounds;
- (6) Background checks and fingerprinting of personnel;
- (7) Federal and state special education services;
- (8) Student due process;

- (9) Parental rights;
- (10) Federal and state student assessment and accountability; or
- (11) Open meetings.

(b) The accountability component of the contract shall include student achievement measures through which students and subgroups of students shall be assessed for performance. The achievement measures shall be applicable to the grade or subgroup of students to which they are applied. The achievement measures may include:

- (1) High school graduation rates;
- (2) Dropout rates;
- (3) Performance on ACT or SAT tests;
- (4) Performance on Tennessee comprehensive assessment program (TCAP) examinations;
- (5) Performance on end-of-course assessments;
- (6) Participation and performance in advanced placement or international baccalaureate programs; or
- (7) Other achievement measures agreed to by the LEA and the state board of education.

(c) The consequences component of the contract shall clearly set forth interventions or sanctions for failure to meet identified levels of achievement or for not attaining specified levels of progress or performance. **The interventions or sanctions may include:**

- (1) Any appropriate corrective action under § 49-1-602;**
- (2) Modification or rescission of one (1) or more waivers that the innovative school district seeks and receives;**

(3) Rescission of status as an innovative school district and return to the former method of governance, if the innovative school district was converted from an existing county, city or special school district;

(4) Dissolution of the innovative school district and consolidation of the district with the county school system;

(5) Dissolution of the innovative school district and return of the students to the school system or systems that students in the city formerly attended, if the innovative school district was created by a city that was not operating a city school system on the effective date of this act;

(6) Conversion to a city school system, if the innovative school district was created by a city that was not operating a city school system on the effective date of this act; or

(7) Other interventions or sanctions as agreed to by the innovative school district and the state board of education.

SECTION 7.

(a) Each LEA that elects to convert to an innovative school district or any city that proposes to create an innovative school district and requests increased flexibility pursuant to this part shall develop a ten-year strategic plan that sets out the proposed innovative school district's vision and goals for the redesign or creation of its school district to improve the performance and achievement of its schools and students. The ten-year strategic plan shall cover the first five-year term of the contract and one (1) renewal period, if granted. The strategic plan and proposed contract shall:

(1) Clearly delineate the waivers of state law and regulations that are requested;

(2) Specify performance goals and achievement standards to be met by the proposed innovative school district, its schools and students; and

(3) Indicate the performance measures and benchmarks for each school that shall be used for evaluating and monitoring improvement, achievement and annual progress towards performance goals.

(b) The strategic plan for conversion of an existing LEA to an innovative school district shall incorporate, to the extent practicable, school improvement plans in effect for schools in the LEA.

SECTION 8. Prior to the submission of a proposed contract to the department of education for evaluation, the local governing body shall schedule and conduct a public hearing for the purpose of providing an opportunity for full discussion and public input on the strategic plan and proposed contract. Additionally, the local governing body shall afford the public an opportunity to submit formal, written comments or suggestions regarding the proposed innovative school district's flexibility requests and performance goals and their effect on each school. The local governing body shall provide notice of the public hearing:

(1) In a newspaper of general circulation in the county in which the LEA is located;

(2) On the local governing body's web site; and

(3) By notice to each principal of a school serving students who will attend the proposed LEA with instructions that each school shall distribute the notice to all teachers and staff members and to the parent or guardian of each student enrolled in the school.

SECTION 9.

(a) After receiving any written public input, conducting the public hearing and making revisions to the strategic plan and proposed contract as the local governing body deems appropriate and beneficial, the local governing body shall submit the strategic plan and proposed contract to the department of education for evaluation and recommendations. The strategic plan and proposed contract shall be submitted to the department of education on or before September 1 of the year preceding the year in which the conversion shall occur. The strategic plan and proposed contract shall be posted on the local governing body's web site.

(b) The local governing body and the department may negotiate terms of the contract, including, but not limited to, the accountability, flexibility and consequences components of the contract. The accountability and consequences components of the contract shall be clear and unequivocal in specifying the achievement measures to be used in assessing the performance of schools, students and subgroups of students, in the statutes and rules for which the proposed innovative school district is seeking a waiver, and in specifying interventions or sanctions for failure to meet identified levels of achievement or for not making specified levels of progress.

(c) Following its negotiations with the department, the local governing body shall submit its strategic plan and proposed contract to the state board of education as soon as practicable, but no later than December 1 of the year preceding the year in which the conversion or creation of the new innovative school district is to occur.

(d) The department shall make a recommendation to the state board as to whether each term of the proposed contract should be approved by the state

board. If the department disagrees with a term of the contract, it shall state with particularity its disagreement.

(e)

(1) The state board shall have the authority to approve or deny approval of the proposed contract. In making its decision, the state board shall give due consideration to the recommendation and input of the department of education. The state board shall make its decision within sixty (60) days of receipt of the contract.

(2) If the state board denies approval of the contract, the local governing body may work with the department on revisions and resubmission to the state board. A contract shall be resubmitted within thirty (30) days of the denial of the state board. The state board shall make its decision within thirty (30) days of the receipt of the resubmitted contract.

(3) The decision of the state board on a resubmitted contract shall be final and not subject to appeal.

(f) If the state board approves a contract, then the local governing body may apply to the commissioner of education for a waiver of any state statute or state board rule or regulation that was identified as impinging on the increased flexibility for which the local governing body contracted with the state board. The goal for each waiver or variance shall be improvement of school and student performance.

SECTION 10.

(a) Upon approval by the state board of a proposed contract, the state board and the local governing body shall execute the contract, which shall be for a term of five (5) years. A contract may be renewed or modified and renewed at

the end of any five-year period for another five-year period. The terms of a contract may provide for automatic extension of such contract if an innovative school district has met its accountability requirements. The conversion of the LEA to an innovative school district or the creation of a new innovative school district shall be effective on July 1 next following the execution of the contract by all parties.

(b) The contract may be amended during its term only if such amendment is warranted because of unforeseen circumstances. Any amendment shall be approved by the state board and the local governing body.

SECTION 11.

(a) If an LEA converts to an innovative school district, then the LEA's board of education at the time of the conversion shall be the board of education of the innovative school district. The board members shall be elected in the same manner and at the same times as required under § 49-2-201 or any private act applicable to the LEA.

(b) If a city that was not operating a city school system on the effective date of this act creates an innovative school district, then the contract between the state board of education and the local governing body, shall specify, in accordance with § 49-2-201, the number of local board of education members to be elected to govern the innovative school system and the time for the election. No member of the city legislative body shall be eligible to serve as a member of the board of education.

(c) Board members of an innovative school district shall have all the powers and duties assigned to them by general law or any applicable private act. The board of education shall employ a director of schools in accordance with §

49-2-203 and § 49-2-301 and assign the director of schools duties as specified in § 49-2-301 and other general law.

SECTION 12.

(a) If a county school system converts to an innovative school district, then for budgeting and funding purposes it shall continue to be considered as a county school district. The county legislative body shall continue to be responsible for levying and collecting taxes to fund the county's share of the school district's budget. Taxes levied and collected by the county for school purposes shall be apportioned according to § 49-3-315.

(b) If a city school system converts to an innovative school district, then for budgeting and funding purposes it shall continue to be considered as a city school district. The city legislative body shall continue to be responsible for levying and collecting taxes to fund the innovative school district's budget to at least the same extent that it funded the former city school system.

(c) If a special school district converts to an innovative school district, then the innovative school district shall be funded by the same entities and in the same manner as the former special school district.

SECTION 13.

(a) If a city that was not operating a city school system on the effective date of this act proposes to create an innovative school district, it shall include in its strategic plan and proposed contract the means by which it shall provide funding for the school district and comply with the local funding requirements of the BEP.

(b) After conducting the public hearing under Section 8, but before submitting the strategic plan and proposed contract to the department of education for evaluation and recommendations under Section 9, the city shall

conduct a municipal referendum to determine the expressed willingness of the people of the city, as indicated by a majority of voters casting ballots in the municipal referendum, to raise local funds, which, together with school funds received from the state, county and other sources, shall be sufficient to provide adequate educational opportunities for their children.

SECTION 14. Distribution of state and local funding for an innovative school district shall be governed by the BEP.

SECTION 15. Two (2) or more cities that are not operating a school system on the effective date of this act may create a joint innovative school district under this part; provided, that each city meets the requirements of Section 4(b). If the cities seek to create a joint innovative school district, then the city legislative bodies shall jointly comply with the requirements of this part and shall jointly submit the strategic plan and proposed contract to the department of education for evaluation and recommendations. The contract shall be executed by the state board of education and all city legislative bodies seeking to form the joint innovative school district. The strategic plan and contract shall address:

- (1) Administrative organization of the proposed joint innovative school district;
- (2) Appropriate plans for the governance and funding of the joint innovative school district;
- (3) Appropriate plans for election of a board of education to govern the school district; and
- (4) Any other matter deemed by the department to be pertinent.

SECTION 16.

(a) The board of education governing a joint innovative school district shall have all powers and duties conferred by general law upon boards of

education. The board is authorized to do all things necessary or proper for the establishment, operation and maintenance of an efficient and accredited joint innovative school district.

(b)

(1) Any strategic plan or proposed contract for a joint innovative school district shall provide that the board of education is authorized to designate a person experienced in public school management and supervision and possessing a license of qualification issued by the state board of education pursuant to § 49-2-301 as the chief administrative employee of the board, and to enter into an employment contract with that person for a period not to exceed five (5) years and for compensation to be determined in the contract.

(2) The person so employed shall be designated director of the joint innovative school district.

(3) The board is authorized to assign to the director duties and responsibilities that are necessarily, usually or properly assigned to a county director of schools.

SECTION 17. The office of education accountability shall monitor an innovative school district's progress toward meeting its performance goals in its contract and shall notify the department if an innovative school district is not in compliance with its performance goals. The department shall provide guidance to innovative school districts not meeting their yearly progress goals.

SECTION 18. Tennessee Code Annotated, Section 49-1-103(2), is amended by adding the language "innovative school district," between the language "special school district," and the language "unified school system".

SECTION 19. The state board of education and the department of education are authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 20. This act shall take effect upon becoming a law, the public welfare requiring it.